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1986/06/09

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Department of State

ETTC
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INCOMING
TELEGRAM

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ACTION QES-09

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INFO C-01 P-01 RA-01 UN-01 X-01 /000 A2 VMCG

INFO LOG-00 COPY-01 ADS-00 INR-10 EUR-00 SS-00 CIAE-00
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KNOW THE DETAILS OF THE INSURANCE PLAN. NILSSON
COMMENTED THAT SWEDEN IS NOT SO CONCERNED ABOUT
RESTRICTING TECHNOLOGY TRANSFER TO THE CHINESE, SO HE
DID NOT BELIEVE THAT THIS WAS A FACTOR IN INSURING THE
SATELLITE.

JOHNSON

P 090736Z JUN 86
FM AMEMBASSY BEIJING
TO SECSTATE WASHDC PRIORITY 1202
USDOC WASHDC
NASA WASHDC
NOAA ROCKVILLE
KENNEDY SPACE CENTER FL
NASA JOHNSON SPACE CEN HOUSTON TX
AMEMBASSY STOCKHOLM
AMEMBASSY TOKYO
AMEMBASSY MOSCOW
AMEMBASSY PARIS
AMCONSUL CHENGDU POUCH

DEPARTMENT OF STATE

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UNCLAS BEIJING 12927

FOR EAP/C AND DES/SCT; NASA FOR LID-15; USIA FOR EA;
NOAA FOR NESDIS -- E/ER - 1; KENNEDY SPACE CENTER FOR
DIRECTOR SMITH

E.O. 12356: N/A
TAGS: TS/PA, PINN, NSCA, CN, US
SUBJECT: SWEDEN MAY SIGN SATELLITE LAUNCH AGREEMENT
WITH CHINA BEFORE THE END OF 1986; LAUNCH WILL BE MORE
DISTANT

REF: A) STATE 152259 B) BEIJING 12235 C) BEIJING 11520

1. IN A DISCUSSION WITH CHRISTER NILSSON, TECHNICAL
ATTACHE AT THE SWEDISH EMBASSY, EMBOFF LEARNED THAT
SWEDEN HAS NOT ONLY SIGNED A LETTER OF INTENT TO LAUNCH
MAILSTAR, A MAILBOX-TYPE COMMUNICATIONS SATELLITE, BUT
NILSSON EXPECTS THE AGREEMENT ITSELF TO BE SIGNED BY THE
END OF THE YEAR. THE SWEDES HAVE ALREADY PUT DOWN A
FIFTY THOUSAND DOLLAR DEPOSIT. NILSSON COMMENTED THAT A
DOWNPAYMENT IS NECESSARY TO GUARANTEE SWEDEN'S
COMMITMENT TO THE PROJECT, BUT THE FIGURE IS SMALL
BECAUSE THE SATELLITE ITSELF IS SMALL. NEVERTHELESS,
THE CHINESE HAVE GREATLY TOUTED THIS
LIKELY-TO-BE-FINALIZED AGREEMENT AS CHINA'S FIRST
SUCCESS IN SEIZING THE SATELLITE-LAUNCHING MARKET AFTER
U.S. AND FRENCH ROCKET FAILURES.

2. BECAUSE OF THE SATELLITE'S SMALL SIZE, THE CHINESE
PLAN TO LAUNCH IT IN TANDEM WITH A CHINESE SATELLITE.
THE LAUNCH DATE DEPENDS ON THE LAUNCH SCHEDULE OF THE
CHINESE COMPANION SATELLITE, TENTATIVELY SET FOR
SOMETIME WITHIN TWENTY-FOUR MONTHS AFTER THE AGREEMENT
IS SIGNED. NILSSON SAID THAT THE SWEDES ARE UNCONCERNED
ABOUT LONG DELAYS, BECAUSE SWEDEN HAS NO EXACTING TIME
SCHEDULE TO MEET. IN FACT, NEITHER THE SWEDES NOR THE
CHINESE KNOW YET IF THE PROPOSED METHOD OF LAUNCH
WILL PROVE FEASIBLE. THE SATELLITE MUST GO INTO ORBIT
AT A RANGE WHICH THE LONG MARCH 2 ROCKET CANNOT REACH,
SO AN ORBITAL TRANSFER MODULE, A SMALL BOOSTER ROCKET,
WILL BE NECESSARY TO CARRY THE SWEDISH SATELLITE A THIRD
STEP. THE SWEDES, WITH CHINESE COOPERATION, WILL FIRST
HAVE TO CONDUCT A FEASIBILITY STUDY ON THE MODULE IDEA.
A SWEDISH COMPANY, ERICSSON, WILL BUILD THE SATELLITE.

3. NILSSON SAID THAT PEOPLES BANK HAD AGREED TO INSURE
THE SATELLITE AS PART OF THE CONTRACT, BUT HE DID NOT

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